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Market Administrator's BULLETIN

C. T. McCleery
U. S. DEPT. OF AGRICULTURE
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MARKET ADMINISTRATOR

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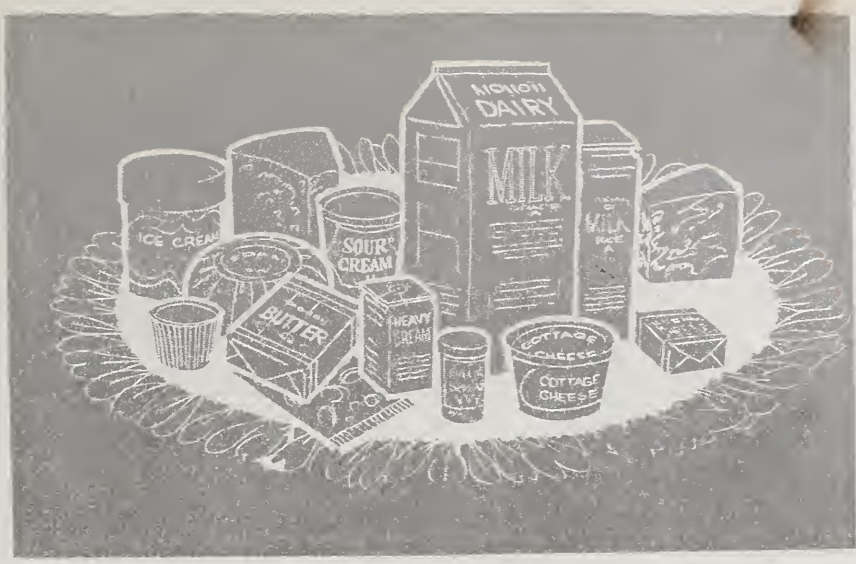
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ISSUED FOR PRODUCERS WHO ARE NOT MEMBERS OF COOPERATIVE ASSOCIATIONS

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USDA ISSUES NEW OHIO VALLEY MILK ORDER

After a favorable vote by dairy farmers affected, the U. S. Department of Agriculture has merged the Columbus, Miami Valley, Northwestern Ohio, Tri-State and Greater Cincinnati Federal milk marketing orders into a single Ohio Valley order, combining and expanding marketing areas now covered. New territory will be 31 counties in Ohio, Kentucky, Indiana, and West Virginia.

USDA's Consumer and Marketing Service officials said the new order will become effective August 1.

C. T. McCleery, who now administers the five separate orders, will be market administrator of the merged order.

Approval of the merged order was determined in a referendum in which 6,816 dairy farmers, or 98.6 percent of the 6,910 voting, favored its issuance.

Similar to other Federal milk orders, the merged order will set minimum prices to dairy farmers for milk sold to dealers doing business in the marketing area covered. It will not set retail prices, however.

Dealers will continue to pay for milk according to how it is used, with three milk-use categories.

Class I will apply generally to milk for fluid or bottling use. A new Class II will cover all cream items, and milk

used in yogurt and cottage cheese. Class III will include milk used in manufactured dairy products, such as ice cream, butter, hard cheese, nonfat dry milk and condensed milk.

The bottling milk (Class I) price will be established for the market's central zone at \$1.70 over the basic formula price (Minnesota-Wisconsin manufacturing milk plant pay price). The price will be decreased 5 cents a hundredweight in the Northwestern Zone of the marketing area (Toledo, Lima); and increased 5 cents in the Southeastern Zone (Coshocton, Charleston).

The Class II price will be the Minnesota-Wisconsin price plus 10 cents; and the Class III price will be the lower of the Minnesota-Wisconsin price or a butter-nonfat dry milk formula price.

All prices will be adjusted for butterfat content, and for distances milk is shipped from production to consuming areas.

Other provisions of the merged order will be basically the same as those of the present Greater Cincinnati order, but with some changes in location adjustment and pooling provisions.

There will be a seasonal payment plan for deducting money from producers' returns in flush milk months and paying it to them later in the

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1970/71 CANADIAN DAIRY PROGRAM

To reduce the growing dairy surplus, Canada's 1970/71 dairy program (began April 1) attempts to discourage increased milk output by placing a charge on producers' milk and cream deliveries above marketing quotas, while continuing subsidy payments on deliveries up to the quota levels. Continued dairy surplus production is reported as the biggest problem facing the Canadian dairy industry. In the past, the dairy surplus had been primarily in skim milk powder, but now a butterfat surplus also has developed.

To finance the cost of surplus disposal, the Canadian Dairy Commission will hold back from subsidy payments 26 cents per 100 pounds on milk deliveries within quota, the same as a year earlier. However, for over-quota deliveries the 1970/71 holdback rate will be \$1.25 per 100 pounds for milk and 8 cents per pound for milkfat, up from 52 cents and 1 cent, respectively, a year earlier. This means over-quota milk deliveries will return producers around \$2.25 per 100 pounds less than within-quota milk.

A system of supply management through market share quotas proposed by the Dairy Farmers of Canada is being strongly considered. Producers supplying milk and cream for manu-

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Northwestern Ohio

MARKET FACTS FOR EASY REFERENCE

PRICE SUMMARY

Market Blend (No Location Adjustment)	
Class I (No Location Adjustment)	
Class II	
Producer Butterfat Differential for each 1/10%	

June
1970

May
1970

June
1969

\$5.36
6.28
4.61
8.2¢

\$5.39
6.30
4.58
8.2¢

\$5.29
6.07
4.25
8.0¢

PRODUCTION SUMMARY

Total Lbs. of Producer Milk Delivered	
Average Daily Class I Producer Milk	
Average Daily Production per Producer	
Total Number of Producers	
Average B.F. Test of All Producers	

40,816,723
809,384
1,167
1,166
3.55

42,893,132
849,943
1,186
1,167
3.63

44,085,324
828,284
1,104
1,331
3.58

UTILIZATION SUMMARY

Amount of Producer Milk in Class I	
Amount of Producer Milk in Class II	
Percent of Producer Milk in Class I	
Percent of Producer Milk in Class II	

24,281,526
16,535,197
59.5
40.5

26,348,234
16,544,898
61.4
38.6

24,848,519
19,236,805
56.4
43.6

Total Value at 3.5%	
Total Value at Test	
Income per Producer (7 Day Average)	

\$2,207,609
\$2,298,837
\$460

\$2,329,252
\$2,456,698
\$475

\$2,332,114
\$2,352,822
\$412

AVERAGE DAILY SALES (Quarts)

Milk	
Skim	
Buttermilk	
Flavored Milk and Drink	
Cream	

261,664
86,538
3,217
9,847
4,628

272,078
88,392
3,128
21,260
4,254

282,105
76,069
6,179
11,481
5,427

USDA STUDIES COSTS OF SANITARY REGULATION IN THE MILK INDUSTRY

Sanitary regulation of fluid milk plants and producers by more than one regulatory authority costs the industry over \$700,000 a year, according to a report issued by the U. S. Department of Agriculture.

The report, by USDA's Economic Research Service, summarizes costs to fluid milk plants for sanitary inspection, estimates costs to plants for duplicative regulation, and indicates that differing regulations among sanitary authorities sometimes hinder the flow of milk between markets. To gain data, USDA compiled responses from nearly one-third of the Nation's fluid milk plants—handling about half the fluid grade milk sold by farmers.

Fluid milk plants paid regulatory sanitation authorities an estimated \$3.4 million in 1967. Other inspection-associated expenditures cost an additional \$0.5 million. That worked out to an average cost of just over \$1,300 in fees per plant.

Milk plants were regulated by an average of almost 5 sanitation authorities. Around two-thirds of the authorities were local, such as city or county health agencies. Another 27 percent were State, the rest Federal (military). The milk plants were inspected about twice a month, but this varied regionally.

Some of the plants noted excessive duplication of inspections and the lack

of uniformity among jurisdictions in interpreting regulations. The report also said that 13.5 percent of the plants experienced difficulty entering new markets from 1963 to 1967. Difficulties included certain labeling requirements, reluctance to grant permits, and differing sanitation rules. A few plants found out-of-State authorities unwilling to inspect—thus barring the plant's extension into a new market.

One fifth of dairy cooperatives contacted cited 49 instances where farm sanitation requirements acted as barriers to milk sales—most of the barriers were encountered in reference to interstate markets.

USDA AWARDS P. L. 480 GRANTS TO INDIA AND PAKISTAN

Research on agricultural economics and animal husbandry will be conducted by Indian and Pakistani scientists under two Public Law 480 grants awarded by the U. S. Department of Agriculture. This research will be administered by USDA's Agricultural Research Service.

Funds for these grants will be paid with Indian and Pakistani rupees obtained by the United States through past sales of farm products to those countries. This currency cannot be converted into dollars, but may be used, in part, for foreign scientific research beneficial to U. S. Agriculture and the American consumer.

At Gujarat, India, economists at the Sardar Patel University will conduct

an investigation on the interrelationship between dairying and crop enterprises. The investigators will determine what contribution dairying makes to supply essential production inputs and farm household consumption goods.

Purposes of the work are to define future trends in Indian dairy production and to help the United States in projecting future export patterns. In Fiscal Year 1969 the United States exported 30 million pounds of milk and dry cream to India.

Dr. D. C. Myrick of USDA's Economic Research Service, Washington, D. C., is the sponsoring scientist for this 3-year project of 180,400 rupees (\$23,737 equiv.) awarded to the Agro-Economic Research Centre for the

States of Gujarat and Rajasthan.

The Pakistani project is expected to provide information needed to identify and breed range animals best suited for hot, humid areas of the United States as well as similar areas in other countries. To accomplish this goal, Pakistani scientists at the East Pakistan Agricultural University, Myrmensingh, will determine the structural organization and physiological functions of the various skin layers of the water buffalo, *Bos bubalus*.

This animal, valued for its domestication, rich milk, and fine hide, is ideally adapted for the Pakistani research, which is programmed to establish a correlation between skin structure and functions as they apply to heat regulation in the animal.

1970/71 CANADIAN DAIRY PROGRAM

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factured dairy products would have market shares related to total Canadian requirements for which they would receive a price based on domestic market prices for dairy products. Production in excess of their market shares would be priced in relation to dairy product prices in international markets.

Market Quotations

JUNE 1970

MINNESOTA - WISCONSIN PRICE SERIES	\$4.61
Butter-Powder Price	4.65
Average Price per lb. 92-score butter at Chicago6981
Average carlot prices, spray process nonfat dry milk, f.o.b. Chicago area manufacturing plants2677

USDA ISSUES NEW OHIO VALLEY MILK ORDER

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year, to encourage level milk production throughout the year.

In distributing the proceeds of the marketwide pool, handlers' payments for milk at the class prices will be made to the market administrator. He will then make all "blend" price payments to dairy farmers and cooperatives.

The additional counties to be covered by the merged order are: in Ohio—Adams, Auglaize, Brown, Clinton, Darke, Hardin, Highland, Hocking, Knox, Logan, Mercer, Morgan, Noble, Perry, Pike, Ross, Shelby, Vinton and Wyandot; in Kentucky—Bracken, Lewis, Mason and Robertson; in West Virginia—Calhoun, Gilmer, Mingo, Pleasants, Ritchie and Wirt; and in Indiana—Dearborn and Ohio.

The merged order is based on a 13-day public hearing held in Columbus, Ohio, in June, July and December 1969, by USDA's Consumer and Marketing Service.

Copies of the merged order may be obtained from Market Administrator C. T. McCleery, Hartman Bldg., Room 505, 79 East State Street, Columbus, Ohio 43215, Telephone 224-5197, area code 614; or from the Dairy Division, Consumer and Marketing Service, U. S. Department of Agriculture, Washington, D. C. 20250.

OHIO VALLEY MARKETING AREA BY ZONES AND COUNTIES

NORTHWESTERN ZONE

OHIO COUNTIES

Allen.	Morrow.
Auglaize.	Putnam.
Crawford.	Richland.
Fulton.	Sandusky (Woodville
Hancock.	and Madison Town-
Hardin.	ships only).
Henry.	Seneca.
Logan.	Van Wert (city of
Lucas.	Delphos only).
Marion.	Wood.
Mercer.	Wyandot.

MICHIGAN COUNTIES

Lenawee (Blissfield, Deerfield, Ogden, Palmyra, and Riga Townships only).
Monroe (except Ash, Berlin, Dundee, Exeter, London, and Milan Townships).

CENTRAL ZONE

OHIO COUNTIES

Adams.	Jackson.
Brown.	Knox.
Butler.	Lawrence.
Champaign.	Licking.
Clark.	Madison.
Clermont.	Miami.
Clinton.	Montgomery.
Darke.	Pickaway.
Delaware.	Pike.
Fairfield.	Preble.
Fayette.	Ross.
Franklin.	Scioto.
Gallia.	Shelby.
Greene.	Union.
Hamilton.	Vinton.
Highland.	Warren.
Hocking.	

KENTUCKY COUNTIES

Boone.	Harrison.
Boyd.	Kenton.
Bracken.	Lewis.
Campbell.	Mason.
Grant.	Pendleton.
Greenup.	Robertson.

INDIANA COUNTIES

Dearborn.	Ohio.
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SOUTHEASTERN ZONE

OHIO COUNTIES

Athens.	Meigs.
Coshocton (except Adams Township).	Morgan.
Guernsey (except Oxford, London-derry, and Mill-wood Townships).	Muskingum.
	Noble.
	Perry.
	Washington.

KENTUCKY COUNTIES

Floyd.	Magoffin.
Johnson.	Martin.
Lawrence.	Pike.

WEST VIRGINIA COUNTIES

Boone.	Mingo.
Cabell.	Pleasants.
Calhoun.	Putnam.
Fayette.	Raleigh.
Gilmer.	Ritchie.
Jackson.	Roane.
Kanawha.	Wayne.
Lincoln.	Wirt.
Logan.	Wood.
Mason.	Wyoming.